

Palladium and the Upcoming Drill Program at East Bull Lake.

First off a clarification that our primary project is the Makwa Mayville Nickel Copper PGM project in Manitoba. Grid and its consultants are working on updating the Preliminary Economic Assessment on the project. This will include updating operating and capital costs for the project . However...

the price of palladium has been rising significantly over the last year. It is one of the LME metals that is feeling the effects of strong demand and limited supply. One would think that with such elevated prices there would be many junior mining companies looking to cash in on the rising price of palladium by initiating new exploration programs on new palladium properties worldwide. There are some but not many palladium opportunities.

One of the main reasons this is not happening is that there are a relatively few geological settings that palladium can be found in meaningful quantities. One place palladium can be found is with nickel sulphide deposits as a by-product – but these type of deposits are becoming rarer. Another source are layered platinum group metal bearing intrusives which can be found in various parts of the world. In many of these type of deposits the average grade is around 1 gram per tonne combined platinum palladium and gold which means to be close to economic they have to have large tonnages (I would suggest a 2.5 million ounce minimum size) and good metallurgy. **Side Note** The exploration that North American Palladium is doing at the Sunday Lake Intrusive in Ontario is very interesting as they are getting good grades and widths at an exploration project that is within trucking distance to their mill. Transition Metals has an interest in that discovery. Sunday Lake in the exploration world is rare in terms of the success they are having in finding width and grade.

When Grid (in its Mustang days back in 2000) had a joint venture with Falconbridge at our East Bull Lake property, in order to earn in to the project at East Bull Falconbridge made a \$ 1 million private placement to Mustang and had to spend \$5 million to earn a 50% interest in the East Bull Property. When palladium prices fell they withdrew from the joint venture but not before they funded a very extensive linecutting, rock sampling and trenching program at several areas of the property.(but no drilling) The JV also flew an airborne geophysical survey at the property. This work is important as In dimensions the East Bull property is very large (22km from east to west and approximately 4 km at its widest) so it is a big area in which to explore for a precious metal. To complete the amount of work that was done back in 2000-2001 today would currently be expensive well beyond Grids financial means without excessive share

dilution. However, what we have been doing because we have this extensive database is taking this data and evaluating it in the context of a new geological model. Combined with some fieldwork this means bottom line we now are ready to drill some prospective areas to try to make a palladium discovery.

(**Second Side Note** – Grid doesn't have 100% of the East Bull Intrusive – 21C Metals is optioning a sizable chunk of the East Bull Intrusion and has a NI 43-101 resource on their part of the property.)

When we go to drill at East Bull in January 2020 there are several areas of interest that we intend to focus the drill program on. One of the most interesting is a previously undrilled area we call the South Zone which is in the east "lobe" of the intrusion. This area has been opened up by logging so access is now excellent. At the South Zone we have an east west trending zone near the south contact of the intrusion but there appears to be some enrichment and potential thickening of the zone due to faulting.

Another area of interest is the Central Zone where Grid drilled 6 holes at an average of 200 meter stepouts to cover 1 kilometer of strike length. The results of those drill holes were highly encouraging as every hole hit mineralization. (full results can be found in our corporate presentation.) Together with the on strike South Zone and its extension, overall East Lobe target area is approximately 4 km in strike length. The zone has been defined by surface samples , geophysics and geology.

The Parisien Lake Deformation Zone is a third area of interest. This area has had some very interesting historical drill holes (we released the results in a October 29, 2019 press release) and there are a number of significant surface showings exposed by trenching. We plan to drill some holes in this area as well.

If East Bull was a gold property it would have hundreds of drill holes by now. But the market is far less enthused by palladium partly because there are not many successful projects to follow and the price of palladium tends to fluctuate up and down. With respect to the price fluctuation the announced \$1 billion acquisition of North America Palladium by Impala Platinum is certainly a statement that a major global producer feels that the prospects for palladium are very good in the coming years.

The drill program we will undertake at East Bull will be modest (10 -15 drill holes) but will give us excellent geological information and important assessment credits to apply against the property to keep it in good standing. With success it will be an exciting development for our shareholders.

To have a drill ready palladium dominant project just off the TransCanada highway 80 km from Sudbury (where currently palladium concentrates are processed) is not something every junior mining company can say that they have . It will be interesting to see what happens at East Bull.

Footnote: We have not included exploration results in this blog piece. Our website and November Corporate Presentation contains the technical information about historical results and property description . Please go to www.gridmetalscorp.com for that information.